



AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES A.I.D. MISSION TO EL SALVADOR

ACTION MEMORANDUM FOR THE MISSION DIRECTOR

From: Connie J. Johnson, HO
Don Harrison / Louis Coronado, SDO

Date: May 24, 2002

Subject: Request for Approval of the New Activity "National Disease Surveillance System Strengthening in El Salvador" under Special Objective "The Lives of Targeted Earthquake Victims Improved"

ACTION REQUESTED: Your approval of the proposed \$2.2 million Activity "National Disease Surveillance System Strengthening in El Salvador" is needed so that this Activity can be added to the SpO Amendment No. 4 and an implementing agreement can be negotiated with the proposed partner. The Activity Completion Date will be September 30, 2004.

BACKGROUND: On January 13, 2001, a magnitude 7.6 earthquake occurred about 30 km off the southeastern coast of El Salvador and caused widespread destruction, fatalities, and landslides throughout many parts of the country. While the people of El Salvador were attempting to recover from this devastating event and the continuing aftershocks, a second major earthquake (magnitude 6.5) occurred on February 13, 2001 and caused additional damage, fatalities, and thousands of new landslides. These devastating earthquakes affected more than 1.5 million people - about one-quarter of the country's population.

In response to the devastation caused by Hurricane Mitch in 1998, USAID/Washington dedicated part of the Congressionally-mandated Mitch appropriation to fund a regional epidemiology strengthening Activity in Central America implemented by the U.S. Centers for Disease Control and Prevention (CDC) and the Pan American Health Organization (PAHO). During the two-year Mitch Activity in El Salvador, the CDC has established a Master's Field Epidemiology Training Program (FETP), a Data for Decision making (DDM) certificate program, and a continuing education program for other health personnel in field epidemiology principles (otherwise known as the "3030 course"). Also, the CDC has assisted in and led a number of MOH investigations of outbreaks, epidemics, deaths and injuries related to the earthquake disasters, mandatory disease reporting protocols, and risk factors associated

with shelters housing people displaced by the earthquakes. The CDC Mitch Activity ends in September 2002.

Working with the Ministry of Health (MOH) in El Salvador, funds under the proposed Activity will be used to strengthen El Salvador's capacity to prevent and respond to emergency situations and outbreaks of infectious diseases. The new Activity will contribute to achievement of USAID's Special Objective "The Lives of Targeted Earthquake Victims Improved" through the Special Objective's Intermediate Result (IR) #3 "Adverse effects of future natural disasters mitigated."

DEVELOPMENT CHALLENGE: Both the 2001 earthquakes and epidemics of cholera, leptospirosis and dengue during the year 2000 exposed serious and pervasive weaknesses in the national disease surveillance system in El Salvador. The various components of the system (i.e., case investigation, disease reporting, and vector control) are not sufficiently integrated nor coordinated to ensure the rapid response needed in emergency situations. In addition, public health leaders are not always equipped to make decisions based on data, in part due to the lack of epidemiological information, the poor quality of data, or lack of skills in data analysis. The unfortunate result is death and disability that could be prevented by timely, data-based decision making and targeted public health communication, particularly at the local level.

With most loan resources devoted to reconstruction of health facilities damaged during the earthquakes, the Ministry of Health does not have the discretionary funds needed to address the systemic problems with disease surveillance.

RESULTS TO BE ACHIEVED: The overall goal of this Activity is twofold: 1) a streamlined disease information system that will collect data on priority diseases using a standardized process; and 2) much-improved data analyses and communication. Achievement of this goal will result in more timely public health decisions and more relevant and focused public health interventions, ultimately increasing the number of lives saved and decreasing disease transmission, particularly in emergency or disaster situations. Improving public health response to disease transmission will reduce the vulnerability of earthquake victims by mitigating the effects of future outbreaks.

Specifically, the expected second-level results to achieve IR #3 are 1) National disease surveillance system strengthened, and 2) Epidemiological information actively used to improve the public's health.

ILLUSTRATIVE INTERVENTIONS: The two components of the proposed Activity are 1) National Health Information System Strengthening and 2) Public Health Capacity Expansion.

Funds under the ***National Health Information System Strengthening*** component will be used to simplify disease reporting and improve the flow of data produced by the existing health information system, critical factors in the success of the overall disease surveillance strengthening Activity. This will require the integration and standardization of current paper-based, disease reporting processes at the community level into a cohesive, streamlined system. The improved system will be able to organize and rapidly communicate public health information from the community level up to the central level. System improvements will also allow for the generation of standardized reports and basic data analyses at the SIBASI (Integrated Basic Health System) level.

The success of this component will be closely tied to a careful definition and monitoring of milestones achieved at pilot implementation sites before expanding nationwide. The basic system improvements will serve as a foundation for later upgrades, which could be addressed under the "institutional development" component of the World Bank loan to the Ministry of Health.

This component was included in the Activity based on findings from the "Evaluation of the National Surveillance System in El Salvador" carried out by Juan Zubietta, from the CDC. The interventions included in this component were developed as a result of numerous consultations and review of technical documents (see the **SUPPORTING ANALYSIS AND CONSULTATION PROCESS** section).

Illustrative interventions are:

- **Planning and consensus-building** with decision makers and managers from across the MOH to 1) assess the current maze of disease reporting processes and forms and 2) determine how incongruent and cumbersome data collection can be integrated into a single, streamlined, standardized database to achieve uniformity and improved quality in disease reporting. The first task to be undertaken will involve an analysis of the current information flow and disease information needs. Technical assistance and policy advocacy¹ will be provided to guide the MOH to a) develop protocols for efficiently organizing information, and b) achieve broad management consensus needed to integrate existing streams of information and eliminate duplication of effort. This process will require strategic planning and participatory methods along with technical assistance from a professional facilitator or policy specialist to lead the decision making process.

¹ In this case, policy advocacy will mainly consist of facilitated internal meetings involving MOH planning, epidemiology and program divisions.

- Procurement of the **hardware and software** for each of the 28 SIBASIs needed to organize and rapidly communicate public health information from the community level up to the central level. System specifications have been developed as a result of previous work in this area. Computers will be supplied with all necessary platform, security, and operating system software along with the surveillance software package Epi Info. Epi Info, developed by the CDC, is a public domain software package designed for public health practitioners that provides simple form design and database construction, data entry, and analysis with epidemiologic statistics, maps, and graphs. Procurement will also include 1) the development and printing of revised reporting forms and 2) collection of GPS coordinates for all Ministry of Health facilities.
- **Training and development of technical support** needed for the proper maintenance and use of the hardware and software. Training for data management will seek to increase awareness of the importance of timely and accurate disease reporting and appreciation for the use of system-generated reports and analyses via SIBASI level "salas situacionales." Skills training on carrying out basic analyses, interpretation of system-generated reports, and ensuring quality control will form part of this component. A "cascade" or training of trainers method is expected to strengthen acceptance of the curriculum and leave behind a trained cadre of trainers who can address future training needs resulting from staff turnover.

Funds under the second component, ***Public Health Capacity Expansion***, will be used to increase the scope of current skills-based training of health officials in disease surveillance and response to public health crises. The focus will be on case and risk factor investigation, special studies, field epidemiology, evidence-based decision making, design and implementation of community-based disease control and prevention interventions, public health communication, and policy advocacy.

This component was included in the Activity primarily as a result of the excellent results recently obtained by previous investments in this type of capacity building effort. The illustrative interventions were based on numerous consultations and the review of technical documents described in the **SUPPORTING ANALYSIS AND CONSULTATION PROCESS** section of this memorandum.

Illustrative interventions are:

- **Collection and use of data** for community-based disease control and prevention interventions, building on the 3030, Data for Decision Making (DDM), and Field Epidemiology Training Program (FETP) initiatives already launched by the CDC and supported by the MOH. The focus of this component will be to support the sustainability of these courses while expanding their enrollment at all levels of the health system, encompassing health personnel from the public and private sector working across the country. Revisions to the courses

will be made based on observations from the DDM evaluation carried out by the CDC in March 2002 (see Section 4.4). For instance, participants will be required to obtain written permission from their direct supervisor, along with the supervisor's agreement to allow the participant to devote the time required to fulfill course obligations. Also, funds are expected to be used to devise a system to allow Ministry of Health program managers to participate more actively in both the administration of the courses and as course participants.

- **Investigations and special studies** will be carried out by course participants to better understand disease patterns and identify health risks. Studies will include a maternal mortality study. A sentinel surveillance study will also be carried out to form the basis for systematic early detection of acute malnutrition in children under 2 years old in select geographic areas identified as high risk environments for malnutrition and poor food security. Whenever feasible, these studies will take place in geographic areas served by the current USAID-funded Healthy Salvadorans Activity with the MOH to maximize synergies and USAID investments. For instance, the maternal mortality study should involve Ciudad Barrios, the site of the USAID-funded emergency obstetrical care pilot with the MOH.
- **Data-based public health interventions** will be designed, implemented, and in select cases evaluated by course participants or graduates. An advisory committee made up of Ministry of Health decision makers representing epidemiologists, planners, program managers, vector control specialists, and SIBASI (Integrated Basic Health System) representatives are expected to participate in intervention planning. Intervention topics may include such topics as:
 - improved tuberculosis control in areas with lower than average cure rates, such as La Paz;
 - contingency planning to address water supply vulnerabilities based on risk analysis;
 - development of operational norms for the Ministry of Agriculture to reduce disease risks for humans posed by animal vectors
 - improved community participation in disease reporting

Evaluations will be carried out in cases where a particular innovation was employed and best practices could be best used by public health practitioners working in El Salvador and in other parts of the developing world.

- **Public health communication** is expected to be improved in terms of the quality and frequency of the information generated as well as the method of its presentation to a variety of audiences. Health

practitioners will be trained in the design and presentation of periodic fact sheets, national or regional disease reporting bulletins, and other types of communication tools designed to inform audiences ranging from the general public, to special population groups, health providers, and policy makers.

SUPPORTING ANALYSIS AND CONSULTATION PROCESS:

In mid-December this activity was reviewed and several issues were raised regarding implementation. The meeting was attended by the Mission Director, Deputy Mission Director, and officials from the Mission's four technical offices plus representatives from the Earthquake Reconstruction Office, the Regional Contracts and Grants Office, the Mission's Strategic Development Office (SDO) and the Office of the Controller. The decisions reached at this meeting were to approve this activity in general, to include an overall project description for this area in the Earthquake Concept Paper for FY 2002 and to prepare an amplified description of this Activity. On March 15, 2002, a meeting was held to discuss the Paper Issues for the review of new activities for the second year of the ERP. In this meeting, the issues were satisfactorily resolved and, it was agreed to include this Activity in the Action Memorandum for the Approval of Earthquake 2002 activities.

The Health Office carried out consultations on the design of this Activity with USAID technical advisors in the LAC/RSD-PHN division, various partners within the Ministry of Health, the National Emergency Committee (COEN), and the Pan American Health Organization (PAHO). Consultations were also carried out with the U.S. Military Group's Humanitarian Assistance Program and the U.S. Southern Command of the Armed Forces via the Global Emerging Infections Surveillance and Response System (GEIS). Dr. Gloria Suarez, Program Coordinator of the CDC Hurricane Mitch Project, participated with USAID in nearly all of the consultations. The Health Office is not aware of any other organization presently working in the area of national disease surveillance strengthening in El Salvador.

In addition, the following technical, planning and evaluation documents were considered by the Health Office in developing the design for this proposed new Activity:

- A. "Challenges in Improving Infectious Disease Surveillance Systems," General Accounting Office (2001)
- B. "Assessment of El Salvador Data for Decision Making Training Program," by Karen Wilkins, CDC Division of International Health (2002)
- C. "Evaluation of the National Surveillance System in El Salvador" by Juan Zubieta, CDC (2001)
- D. "Automation of Information Flow in the Epidemiological Surveillance System" presentation by Juan Zubieta and Ilse Cerda, CDC (2002)

- E. Regional Proposal for Development of Epidemiologic Capacity, CDC Division of International Health (2002 draft)
- F. Quarterly reports from the USAID-funded CDC Hurricane Mitch Project
- G. Health Office data quality assessments (2002)
- H. Planning documents related to World Bank "Earthquake Emergency Reconstruction and Health Services Extension Project," 2001

IMPLEMENTATION AND MANAGEMENT PLAN: The Health Office proposes that this Activity and the related funds be included in the Special Objective Grant Agreement for the Earthquake Recovery Program, No. 519-0458. This mechanism is being proposed not only to establish the role of the MOH in this Activity, but also to insure that the host country contribution needed to complete the interventions will be provided. The Health Office also proposes that the entire Activity be implemented through a Participating Agency Services Agreement (PASA) with the CDC. The CDC is being proposed for the following reasons:

- 1) As the implementing partner for the Hurricane Mitch Activity in epidemiology strengthening with the MOH the local CDC staff built positive relationships, excellent credibility, and momentum with key MOH personnel working in surveillance -all key factors in the success of the proposed Activity.
- 2) The CDC has experience carrying out similar activities designed to develop or strengthen disease information systems in other developing countries. In addition, the software chosen by the MOH is a CDC-designed software; so the CDC is uniquely able to provide training and assistance in the use of that software.
- 3) The CDC has technical experts in a wide range of diseases that affect, or may potentially affect, El Salvador. They can provide high quality advice and oversight related to the outbreak investigations and special studies contemplated under the proposed Activity.
- 4) The CDC is a renowned leader in the global field of public health and disease investigation. As an implementing partner they lend a high degree of credibility and prestige to the proposed Activity.

The Health Office understands that entering into a PASA with the CDC would be (a) subject to the approval by the Mission Director of a Justification and Determination in accordance with Section 621(a) of the Foreign Assistance Act of 1961, as amended (the "FAA") or (b) in the event that the PASA would require 10 or fewer full time equivalents (FTEs), subject to a determination by the Regional Contracting Officer that the costs are fair and reasonable based on the budget and other documents in the files (as permitted under an opinion of GC/LP, dated June 14, 2000). The Health Office will insure that in connection with the PASA that there will be no increase in Direct Hire staff through the NSDD 38 process.

The Health Office is confident that the technical assistance and other services proposed to be provided by CDC under this Activity meet the criteria for use of other Federal agencies set forth in Section 621(a)

of the Foreign Assistance Act of 1961, as amended (the "FAA"), based on the fact that there is an existing PASA with CDC, managed by the Global Health Bureau, under which the Mission could obtain these same services through a buy-in arrangement. However, given that this Action Memorandum does not include a Justification and Determination for your signature, the Health Office proposes that, in the event that for any reason a new PASA with CDC or a buy-in to the existing PASA with CDC are determined not to be feasible, the Health Office will work with the Regional Contracting Officer to identify an alternative implementing instrument. The PASA, whether it is a new one developed by the Mission, is an existing one accessed through a buy-in to the PASA managed by the Global Health Bureau, or an alternative implementing instrument, is referred to herein as the "Implementing Agreement."

If a new Implementing Agreement is signed, a member of the Health Office will be designated as the Cognizant Technical Officer (CTO) responsible for technical oversight of the activities being implemented under such Agreement and will work under the supervision of the Health Office Director. If an existing Implementing Agreement is used, the Health Office staff person will function as Activity Manager rather than CTO since the CTO has already been designated in AID/W. The Health Office-based CTO/Activity Manager will convene bi-weekly meetings with the local staff of the implementing organization to monitor progress and address implementation issues. Regular communication will be maintained between the Directors of the Health Office and Earthquake Reconstruction Office. No additional costs are being allocated for USAID management.

The implementing organization will present annual work plans to the USAID CTO/Activity Manager for approval no later than 30 days after start-up. The work plan for year one will include among other things a) a Life of Activity timeline; b) an explanation of the roles and responsibilities of the implementing organization staff; c) a monitoring and evaluation plan including output indicators, benchmarks and targets; and d) a Life of Activity budget. The work plans for both years should discuss any challenges or obstacles encountered and plans for addressing those implementation issues.

As the host country agency responsible for national disease surveillance, the Health Office has negotiated with the Ministry of Health the assignment of a full-time epidemiologist as Program Coordinator of the various Activity components on behalf of the Ministry of Health. This person will oversee day-to-day MOH participation in the implementation of all components under the Implementing Agreement and will work under the supervision of the Chief of Epidemiology.

PERFORMANCE MONITORING PLAN: Achievement of results will be measured by the Intermediate Results indicator "*number of SIBASIs (Integrated Basic Health Systems) with the capacity to use the National Disease*

Surveillance System." The target is 28 SIBASIs by September 30, 2004, based on the assumption that all 28 SIBASIs will be developed in time to participate in the Activity. In the annual work plans previously mentioned, the implementing organization will be required to propose additional results-level indicators to measure the improved quality of disease reporting and the consequent impact on public health decision-making and prevention interventions. Every effort will be made to measure the economic impact and the reduction in morbidity and mortality attributable to the Activity.

The success of this Activity will be closely tied to a careful definition and monitoring of milestones achieved at pilot implementation sites before expanding nationwide. Therefore, progress toward results will be measured by output indicators proposed by the implementing organization in their annual work plans, such as the number of FETP, DDM and 3030 graduates.

Quarterly reports describing progress in quantitative and qualitative terms will be presented to USAID/El Salvador for approval no later than 30 days after the end of each quarter.

The format of these quarterly reports will be compatible with USAID/El Salvador's Geographic Information System (GIS). USAID will provide the local staff of the implementing organization with a digital/electronic copy of the database in MSAccess that contains the code of each canton, municipality, and department, as well as other relevant information that will be used to prepare these reports. The activities carried out under the Implementation Agreement will be tracked in this system to assist in coordination with other organizations, GOES agencies, and other partners working in the ERP, as well as to monitor performance. The final report will be submitted to the USAID CTO/Activity Manager no later than 30 days after the Activity Completion Date.

FINANCIAL PLAN: Funding for this Activity will not exceed \$2.2 million subject to the availability of funds (See Annex A - Illustrative Budget). Since funds are from the CSH account, counterpart contribution is required from the Government of El Salvador in the amount of \$734,000, which represents at least 25% of the total cost of this Activity.

The Health Office believes that it is important to identify in the Special Objective Grant Agreement the types of contributions expected to be provided by the MOH on behalf of the Government of El Salvador during the Life of the Activity. Accordingly, the Health Office proposes that the Grantee contribution for this Activity include the following:

- Commitment of necessary human resources to the Activity components, particularly the assignment of a full-time counterpart to lead the implementation of the Activity at the central level and at least one counterpart per SIBASI served; and
- Dedication of a sufficient percentage of time of the MOH epidemiologists to enable them to participate in the Field Epidemiology Training Program.

To sustain the Ministry of Health's future support for investments made in disease surveillance under this Activity, the Health Office proposes that a covenant by the Ministry of Health, on behalf of the Government of El Salvador, be included in the Special Objective Grant Agreement Amendment to cover the following:

Ministry of Health's Commitment to the National Disease Surveillance System Activity: For the National Disease Surveillance System. the Grantee agrees to ensure, through the Ministry of Health (MOH), that (a) beginning with calendar year 2004, sufficient funds are included in the annual budget of the MOH to cover the cost of periodic hardware and software updates for such system and (b) an increased percentage of the total annual budget of the MOH is committed, during the period from calendar year 2004 to 2006, to carrying out epidemiology and central laboratory functions of the MOH.

CHECKLISTS: The FY 2002 Country Checklist is included as Annex B. The Health Office has reviewed the Assistance Checklist for the Special Objective Grant Agreement and has determined that no changes are required to such Checklist for this Activity (see Annex C).

INITIAL ENVIRONMENTAL EXAMINATION (IEE): Annex D shows the amended IEE for the Earthquake Recovery Program that includes the National Disease Surveillance System Strengthening Activity, which received a Categorical Exclusion Determination. SpO funds under the Activity will not be obligated until USAID/El Salvador receives the approved amended IEE from USAID/Washington (such approval has been received from USAID/Washington.)

CONGRESSIONAL NOTIFICATION: The FY 2003 Congressional Budget Justification (CBJ) approved on April 2, 2002 notified the funding for the activities under the Earthquake Recovery Program (Annex E). The CBJ included a brief description of this Activity.

CERTIFICATION: Section 611(a) of the Foreign Assistance Act of 1961, as amended, provides that no agreement or grant which constitutes an obligation of funds in excess of \$500,000 shall be made for any assistance if such agreement or grant requires substantive technical or financial planning, until engineering, financial or other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of such assistance, have been completed. The proposed obligation of funds under the SOAG, as

well as many of the proposed obligations of funds under contracts, grants or cooperative agreements with NGOs, will be in excess of \$500,000 and, in each case, is expected to require certain substantive technical or financial planning. Personnel of the Strategic Development Office have worked with members of the Health Office in developing the design of the National Disease Surveillance System activity to be implemented under the Earthquake Recovery Program to insure that such plans and a reasonably firm estimate of the costs of these activities have been completed. The cost estimates and, to the extent determined by SDO staff to be appropriate, the required plans have been reviewed prior to SOAG signature with staff of the Controller's Office and the Regional Contracts and Grants Office. The Earthquake Reconstruction Office and responsible technical and support offices, with the assistance of SDO staff, have confirmed that such plans and cost estimates sufficient to satisfy this statutory requirement have been completed and are documented in the supporting files for the designs of the activities to be implemented under the Earthquake Recovery Program.

AUTHORITY: Under ADS Section 103.3.14.2a, Mission Directors in the LAC Bureau were delegated strategic planning authority pursuant to ADS Section 103.3.8.1, subject to the limitations on re-delegation set forth in ADS Section 103.3.8.1b. The foregoing limitations provide that Mission Directors may not approve strategic plans or substantive amendments thereto; exceptions to strategic planning procedures; or substantive terms and conditions of management contracts or amendments thereto. The Special Objective document was approved by the Acting AA/LAC in March 2001, and is now included in the management contract between the AA/LAC and USAID/El Salvador. Neither the proposed allocation of funds nor the National Disease Surveillance System Strengthening in El Salvador Activity authorized in this Action Memorandum will require an amendment to either the Mission's approved strategic plan or the current management contract between USAID/El Salvador and the Assistant Administrator for the LAC Bureau. Therefore, you have the authority to approve the Activity described herein.

RECOMMENDATION: That you approve the proposed \$2.2 million Activity "National Disease Surveillance System Strengthening in El Salvador," with an Activity Completion Date of September 30, 2004. If you agree, please sign this Action Memorandum which includes several annexes.

APPROVED: _____/Mark Silverman/

DISAPPROVED: _____

DATE: _____6/4/02

Annexes :

Annex A	Illustrative Budget
Annex B	FY 2002 Country Checklist for El Salvador
Annex C	FY 2002 Assistance Checklist for the Earthquake Recovery Program
Annex D	Amended Initial Environmental Examination (IEE)
Annex E	Program Data Sheet for the Earthquake Recovery Program, Congressional Budget Justification (CBJ)

Drafted by KWelch/ACMejía _____ Date _____

Cleared by BPaige, RCG _____ Date _____

 FBreen, CONT _____ Date _____

 BMmyers, RLA _____ Date _____

 RGoughnour, DDIR _____ Date _____

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ANNEX A – ILLUSTRATIVE BUDGET**DRAFT SUMMARY OF ACTIVITY EXPENSES**

Activity will begin July 2002 and end September 2004

	<u>EXPENDITURE CATEGORY</u> <u>DESCRIPTION</u>	<u>Year 1</u>	<u>Year 2</u>	<u>TOTALS</u>
1	DISEASE INFORMATION SYSTEM			
	SYSTEM DESIGN AND PRODUCTION OF PAPER-BASED COMPONENTS	100,000	200,000	300,000
	SUBCONTRACT(S) FOR HARDWARE, TECHNICAL TRAINING AND GPS COOR.	300,000	100,000	400,000
	TOTAL DISEASE INFORMATION SYSTEM	400,000	300,000	700,000
2	PUBLIC HEALTH CAPACITY BUILDING AND INTERVENTIONS			
	FETP, DDM AND 3030	70,000	70,000	140,000
	SPECIAL STUDIES	80,000	98,000	178,000
	PUBLIC HEALTH COMMUNICATION	80,000	80,000	160,000
	INTERVENTION DESIGN AND EVALUATION	90000	130000	220000
	OUTBREAK INVESTIGATIONS	30,000	30,000	60,000
	SHORT TERM CONSULTANTS	60,000	60,000	120,000
	TOTAL CAPACITY BUILDING	410,000	468,000	878,000
3	MANAGEMENT			
	SALARIES and BENEFITS	207,138	206,823	413,961
	HEADQUARTERS TRAVEL & PER DIEM	10,000	10,000	20,000
	RENT, TELECOMMUNICATIONS, OTHER UTILITIES	37,000	37,000	74,000
	EDUCATION AND ICASS	47,000	47,000	94,000
	PRINTING, REPRODUCTION, and OTHER SERVICES (hdqtrs)	10,000	10,039	20,039
	TOTAL MANAGEMENT COSTS (headquarters and local)	311,138	310,862	622,000
	ESTIMATED ACTIVITY TOTAL	1,121,138	1,078,862	2,200,000

EL SALVADOR COUNTRY CHECKLIST FY2002

ADS ADDITIONAL HELP
FY 2002 STATUTORY CHECKLISTS

- I. INTRODUCTION
 - II. COUNTRY CHECKLIST
 - III. ASSISTANCE CHECKLIST
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I. INTRODUCTION

The checklists are convenient references when planning and designing assistance programs. For additional country or assistance specific prohibitions, restrictions, or limitations, and additional "notwithstanding" authorities, please consult with the attorneys assigned to your bureau or mission.

Please see ADS 201. 3.3.4 for the rules on when a checklist must be prepared. In doing a checklist you make a reasonable inquiry, determine the applicability of each statutory reference, and set forth any additional comments or issues (e.g., "We are not aware of any information that requires action under this section" or "We are not aware of any violations under this provision").

Country Checklist

The Country Checklist includes the important provisions of general application from the Foreign Assistance Act of 1961, as amended ("FAA") and the FY 2002 Foreign Operations Appropriations Act, Pub. L. 107- ("FY 2002 Act"). The Country Checklist does not list every statutory or regulatory provision applicable to a particular country.

PART A of the Country Checklist contains the general statutory prohibitions. PART B has the "taking into consideration" provisions. They are considered by the Administrator in the annual "Taking into Consideration" Memorandum as part of the Operational Year Budget ("OYB") process for all countries, not just those in the OYB. Because they have already been taken into account as part of the budget process, you do not have to include them in doing the checklist.

Assistance Checklist

The Assistance Checklist has the activity-specific provisions of the FAA and the FY 2002 Act.

Notwithstanding Authorities

There are various "notwithstanding" authorities that can be invoked to provide assistance when it would otherwise be prohibited. Some examples follow:

1. Disaster Assistance (FAA Sec. 491).
2. Health and Disease Prevention (FAA 104(c)(6)(C)(ii) and Child Survival and HIV/AIDS (FY 2002 Act Sec. 522).

3. Assistance for Eastern Europe and the Baltic States (Title II of the FY 2002 Act).
4. Assistance to the Independent States (FAA Sec. 498B(j)).
5. Afghanistan, Lebanon and Montenegro; victims of war, displaced children; displaced Burmese; and tropical forestry, biodiversity conservation and energy programs aimed at reducing greenhouse gas emissions (FY 2002 Act Sec. 534).
6. Non-governmental organizations and P.L. 480 (FY 2002 Act Sec. 537).
7. Title II Emergency Programs (PL 480 Sec. 202(a)).
8. ESF funds for democracy activities of non-governmental organizations in the Peoples Republic of China (FY 2002 Act Sec. 526).

II. COUNTRY CHECKLIST

The Country Checklist includes the important provisions of general application from the Foreign Assistance Act of 1961, as amended ("FAA") and the FY 2002 Foreign Operations Appropriations Act, Pub. L. 107-115, January 10, 2002 ("FY 2002 Act"). The Country Checklist does not list every statutory or regulatory provision applicable to a particular country.

PART A of the Country Checklist contains the general statutory prohibitions. All items in PART B have been taken into consideration in setting the OYB.

Part A

1. NARCOTICS CERTIFICATION (FY 2002 Act Sec. 591; FAA Sec. 490). Applies to the following "major illicit drug-producing or drug-transit" countries: Afghanistan, the Bahamas, Bolivia, Brazil, Burma, China, Colombia, Dominican Republic, Ecuador, Guatemala, Haiti, India, Jamaica, Laos, Mexico, Nigeria, Pakistan, Panama, Paraguay, Peru, Thailand, Venezuela, and Vietnam.

Is your country on the list?

No, El Salvador is not on the list.

If yes, check with your bureau and lawyer because there are new requirements for FY 2002 before assistance can be provided.

2. INDEBTEDNESS TO U.S. CITIZENS (FAA Sec. 620(c)). Absent a Presidential determination based on national security needs, assistance to a government is prohibited if the government is indebted to any U.S. citizen or person, and (a) such citizen or person has exhausted available legal remedies, (b) the debt is not denied or contested, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government (or controlled entity).

Is this restriction applicable? Please comment.

No this restriction does not apply to El Salvador. We are not aware of any debts owed by the Government of El Salvador to any U.S. citizen for goods or services that meet the criteria set forth in this section.

3. SEIZURE OF U.S. PROPERTY (Section 527 of the Foreign Relations Authorization Act, 1994-95, which superseded FAA Sec. 620(e)). Absent a waiver by the Department of State, assistance to a government is prohibited if that government has expropriated or seized ownership or control of property at least 50 percent beneficially owned by U.S. citizens without

- (a) Returning the property to the owner,
- (b) Compensating the owner for the property,
- (c) Offering a domestic procedure providing prompt, adequate, and effective compensation for the property, or
- (d) Submitting the dispute to international arbitration.

[CONTACT: State/EB/IFD/OIA, Neil Efird, 202-736-4586]

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador.

4. SPECIFIC COUNTRIES (FAA Secs. 620(a) and 620(f); FY 2002 Act Secs. 507). Assistance is prohibited to: Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria. [Notes: Prohibitions on assistance to China, Tibet and Vietnam have been waived. Prohibition on indirect assistance in section 523 of the FY 2002 Act applies only to "indirect" assistance, i.e., through international financial institutions and multilateral development banks.]

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador.

5. LOAN DEFAULT (FAA Sec. 620(q); FY 2002 Act Sec. 512 [Brooke Amendment]; see ADS 623). Absent a Presidential waiver, assistance is prohibited where

- (a) The government of the recipient country has been in default for more than six months on interest or principal of any loan by the U.S. to such country under the FAA; or
- (b) The country has been in default for more than one calendar year on interest or principal on any U.S. foreign assistance loan.

As of December, 2001, Afghanistan, Dem. Rep. Of the Congo, Ethiopia, Liberia, Somalia, Sudan and Syria were in default. Check with FM/LM.]

Is this restriction applicable? Please comment.

This restriction does not currently apply to El Salvador. The desk officer will check on the status of El Salvador prior to any obligation of funds.

6. DIPLOMATIC RELATIONS WITH U.S. (FAA Sec. 620(t)). Assistance is prohibited if diplomatic relations between the U.S. and the recipient country are currently severed.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador.

7. INTERNATIONAL TERRORISM (FY 2002 Act Sec. 527; FAA Secs. 620A, 620G). Absent a Presidential waiver on national security grounds or for humanitarian reasons, assistance is prohibited to a recipient country that the Secretary of State has determined

- (a) Grants sanctuary from prosecution to any terrorist, or
- (b) Otherwise supports or assists terrorist governments (as determined by FAA Sec. 620A) or international terrorism.

No countries have been designated under the above provisions. However, under 6(j) of the Export Administration Act (50 U.S.C. App. 2405(j)) and 40(d) of the Arms Export Control Act), the Department of State in 1993 designated as state sponsors of terrorism or not cooperating with U.S. antiterrorist efforts; Afghanistan, Cuba, Iran, Iraq, Libya, North Korea, Sudan, and Syria. Source: Department of State Publication 10687 from the Office of the Secretary of state, Office of the Coordinator for Counterterrorism.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador.

8. EXPORT OF LETHAL MILITARY EQUIPMENT TO TERRORIST STATES (FY 2002 Act Sec. 544; FAA Sec. 620H). Absent a Presidential determination, assistance is prohibited to a government which that provides lethal military equipment to a terrorist government (those listed in 7 above).

[Contact: Newell Highsmith, State/L/PM, 202-6472886]

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador. As of 1/22/02, no countries have been so identified.

9. COMPLIANCE WITH UN SANCTIONS AGAINST IRAQ (FY 2002 Act Sec. 534). Absent certain Presidential determinations or certifications, assistance is prohibited to a country not in compliance with UN sanctions against Iraq.

[Note: As of 1/22/02, only Turkey and Jordan have been identified and both have received waivers.]

[Contact: John Sandage, State/L/UNA, 202-647-2886]

Is this restriction applicable? Please comment

This restriction does not apply to El Salvador.

10. DISCRIMINATION (FAA Sec. 666(b)). Assistance is prohibited to a recipient country that objects, on the basis of race, religion, national origin, or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador.

11. NUCLEAR TECHNOLOGY (Arms Export Control Act Secs. 101, 102).

- (a) Absent special certification by the President, assistance is prohibited if the recipient country has either delivered or received from any other country nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards any time after August 3, 1977.
- (b) Absent special certification by the President, assistance is prohibited if the recipient country has, on or after June 30, 1994,
 - (1) Transferred a nuclear explosive device to a non-nuclear weapon state,
 - (2) Received or detonated a nuclear explosive device, or
 - (3) Exported (or attempted to export) illegally from the U.S. any material, equipment, or technology that would contribute significantly to the ability of a country to manufacture a nuclear explosive device.

Are these restrictions applicable? Please comment.

These restrictions do not apply to El Salvador. We are not aware of any information that requires action under this section.

12. MILITARY COUP or DECREE (FY 2002 Act Sec. 508). Assistance is prohibited to the government of a country where the duly elected head of government of the recipient country has been deposed by military coup or decree unless the President has notified Congress that a democratically elected government has since taken office. New for FY 2002, the section does not apply to assistance to promote democratic elections or public participation in democratic processes.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador.

13. EXPLOITATION OF CHILDREN (FAA Sec. 116(b)). Assistance is prohibited where the Department of State has determined that the recipient government has failed to take appropriate and adequate measures, within its means, to protect children from exploitation, abuse, or forced conscription into military or paramilitary services.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador. We are not aware of any information that requires action under this section.

14. PARKING FINES (FY 2002 Act Sec. 545). Assistance to a recipient country shall be reduced by 110 percent of the amount of unpaid parking fines owed to the District of Columbia and, new for FY 2002, New York City [Check with Sharon Nichols, PPC/M/RA, 202-712-4533]

Is this restriction applicable? Please comment.

El Salvador OYB levels are adjusted by amounts owed by PPC/M/RA as part of the OYB process. [Note: No action required by country desk. Contact: Sharon Nichols, PPC/M/RA, 202-712-4533]

15. DELIVERY OF HUMANITARIAN ASSISTANCE (FAA Sec. 620I). Absent a Presidential determination, assistance is prohibited where the recipient government has prohibited or otherwise restricted, directly or indirectly, the transport or delivery of U.S humanitarian assistance.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador. We are not aware of any information that requires action under this section.

16. ASSISTANCE TO CUBA (FAA Sec. 620(y), as amended by section 2810 of FY 98/99 Foreign Relations Authorization Act, P. L. 105-277; LIBERTAD Act Sec. 111; P.L. 104-114).

- (a) If a country (or any entity in the country) provided (1) nuclear fuel and related assistance and credits or (2) assistance or credits in support of the Cuban nuclear facility at Juragua, Cuba at any time after March 12, 1996, then assistance to such country must be reduced by an amount equal to the sum of any such assistance or credits.
- (b) Assistance to a recipient country must be reduced by an amount equal to the aggregate value of nuclear fuel related assistance and credits provided by that country to Cuba during the preceding fiscal year, unless Cuba
 - (1) Has ratified the Treaty on the Non-Nuclear Proliferation of Nuclear Weapons or the Treaty of Tlatelolco and Cuba is in compliance therewith;
 - (2) Has negotiated and is in compliance with full-scope safeguards of the International Atomic Energy Agency not later than two years after ratification by Cuba of such treaty; and
 - (3) Incorporates and is in compliance with internationally accepted nuclear safety standards.

Are these restrictions applicable? Please comment.

These restrictions do not apply to El Salvador. We are not aware of any information that requires action under this section.

17. HUMAN RIGHTS VIOLATIONS (FAA Secs. 116 and 502B).

If the Department of State has determined that the recipient government has engaged in a consistent pattern of gross violations of internationally recognized human rights, then

- (a) Economic Support Fund funds may be used only if the assistance will directly benefit the needy; and
- (b) Development Assistance funds may be used only if the President has found that the country has made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest.

Is this restriction applicable? Please comment.

This restriction does not apply to El Salvador. We are not aware of any information that requires action under this section.

18. TRAFFICKING IN PERSONS (Sec. 110 of Trafficking Victims Protection Act of 2000, P. L. 106-386). Nonhumanitarian, nontrade-related foreign assistance is not to be provided to any government that the Secretary of State has identified as

- (a) Not complying with minimum standards for the elimination of trafficking; and

(b) Not making significant efforts to bring itself into compliance with such standards.

Note: Not effective until January 1, 2003 . No action necessary for FY 2002.

PART B

All items in PART B have been taken into consideration when setting the OYB.

1. MOB ACTION (FAA Sec. 620(j)). Assistance may be terminated if the recipient country permitted (or failed to take adequate measures to prevent) damage or destruction of U.S. property by mob action.

2. SEIZURE OF U.S. FISHING VESSELS (FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5 (22 U.S.C. 1975(b))). Assistance may be denied or offset if the recipient country has seized, or imposed any penalty or sanction against, any U.S. fishing vessel fishing in international waters.

3. OVERSEAS PRIVATE INVESTMENT CORPORATION ("OPIC") INVESTMENT GUARANTY (FAA Sec. 620(l)). Assistance may be denied if the recipient country has failed to enter into an investment guaranty agreement with OPIC.

4. United Nations (U.N.) OBLIGATIONS (FAA Sec. 620(u)). The payment status of the recipient country's U.N. obligations is to be taken into account when considering assistance levels.

5. ALGIERS MEETING (ISDCA of 1981, Sec. 720). The fact that a country attended and otherwise failed to disassociate itself from the communiqué issued at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on September 25 and 28, 1981, is to be taken into account when considering assistance levels to such country.

CLEARANCE PAGE FOR EL SALVADOR FY02 COUNTRY CHECKLIST

Clearances:

LAC/CEN:P Kranstover:_____ Date: 2/25/02
WHA/CEN:T Pickrel _____ via e-mail _____ Date: 2/14/02
INL/PC:A Ohlrich _____ via e-mail _____ Date: 2/14/02
GC/LAC:J Fraser _____ via e-mail _____ Date: 2/27/02

Information:

LAC/SPO:D Soules
LAC/SPO: C Mohan

LAC/CEN:M Kerst:1/23/02:712-1743
P:\lac.cen.pub\CENPUB\DOCS\CHECKLIS\FY02ElSalvadorChecklist 021402.doc

Additional Help: 200-203

File Name: P:/Lac.Cen.Pub/CEN.PUB/DOCS/CHECKLIS/FY02ElSalvadorChecklist
final022702.doc

Last Revised: February 27, 2002

**FY 2002 ASSISTANCE CHECKLIST
NATIONAL DISEASE SURVEILLANCE
SpO 519-008: LIVES OF TARGETED EARTHQUAKE VICTIMS IMPROVED**

This checklist is to help managers and teams ensure that activities are consistent with applicable law. Since different provisions apply at different stages of the process, this Checklist is divided into the following parts: **(A) Planning; (B) Congressional Notifications; and (C) Obligating Documents.**

In addition to completing this Checklist, managers and teams should check with the Desk Officer to make sure that the Country Checklist has been completed and nothing has occurred since completion of the Country Checklist which would affect USAID's ability to provide assistance.

For the most part, no distinction between Development Assistance and Economic Support Fund funds is made in this Assistance Checklist because the FAA provides that, to the maximum extent feasible, ESF assistance should be provided consistent with the policy directions, purposes and programs of Development Assistance.

PART A. PLANNING (in alphabetical order)

1. AGRICULTURAL ACTIVITIES (BUMPERS AMENDMENT) (FY 2002 Act Sec. 513(b), as interpreted by the conference report for the original enactment). No funds may be used for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training) that would compete with a similar commodity grown or produced in the United States unless such activities

- (a) Are designed to increase food security in developing countries and where such activities will not have a significant impact in the export of agricultural commodities of the United States; or
- (b) Are research activities intended primarily to benefit American producers.

Is this restriction applicable? Please comment.

THIS RESTRICTION MAY APPLY. THE AGRIBUSINESS DEVELOPMENT PROJECT, FOR WHICH AN RFA IS IN PROCESS, MAY CONTAIN ACTIVITIES WHICH ARE SUBJECT TO THE BUMPERS AMENDMENT RESTRICTIONS. THE RFA CLEARLY CITED THE BUMPERS AMENDMENT AND ANY INCOMING PROPOSALS WILL HAVE TO COMPLY WITH THESE RESTRICTIONS. USAID WILL ENSURE THAT THE WINNING PROPOSAL MEETS ALL OF THE BUMPERS AMENDMENT REQUIREMENTS.

2. COMMUNIST ASSISTANCE (FAA Sec. 620(h)). Arrangements should be made to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries.

Please comment.

THIS RESTRICTION DOES NOT APPLY.

3. ADVERSE ECONOMIC IMPACT UPON THE UNITED STATES.

(a) Productive enterprises competing with U.S. enterprises (FAA Sec. 620(d)). No funds may be used for any productive enterprise that will compete with U.S. enterprises, unless

- (1) There is an agreement by the recipient country to prevent export for use or consumption in the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or
- (2) If in the absence of such an agreement, the President has established import controls to effectuate that agreement.

This may also be waived by the President due to national security interest.

Is this restriction applicable? Please comment.

THIS RESTRICTION DOES NOT APPLY. TARGET FIRMS ARE MICRO AND SMALL ENTERPRISES WHICH IN MANY CASES DO NOT HAVE EXPORTS FOR USE OR CONSUMPTION IN THE U.S. IN THE CASE OF THE ARTISAN PROJECT DESIGN TO ENHANCE THE CAPACITY OF SALVADORAN ARTISANS IN PRODUCTION AND MARKETING, THE CRAFT ENTERPRISES WILL NOT COMPETE WITH U.S. ENTERPRISES SINCE THEIR PRODUCTS ARE INDIGENOUS.

(3) Impact on U.S. Jobs: Relocation; Export Zones; Violation of Workers' Rights (FY 2002 Act, Sec. 533, see PD 20). Assistance may not be provided:

- (3) To a business located in the U.S. for the purpose of inducing that business to relocate outside the U.S. in a manner that would likely reduce the number of U.S. employees of that business; or
- (3) For the purpose of establishing or developing an export processing zone or designated area in which the country's tax, tariff, labor, environment, and safety laws do not apply, unless the President has determined and certified that such assistance is not likely to cause a loss of jobs within the U.S. **[Note: this subsection not in FY 2002 but still in PD 20];**
- (3) For a project or activity that contributes to the violation of internationally recognized workers rights of workers in the recipient country; except that

assistance may be provided for such a country for the informal sector, micro or small-scale enterprise, or small-holder agriculture.

Please comment.

PROVISIONS (1) AND (2) DO NOT APPLY. REGARDING PROVISION (3) ACTIVITIES UNDER THE SpO DO NOT CONTRIBUTE TO THE VIOLATION OF INTERNATIONALLY RECOGNIZED RIGHTS OF WORKERS IN THE RECIPIENT COUNTRY. THE MISSION IS NOT AWARE OF ANY COMPLAINT OR NOTIFICATION OF VIOLATION UNDER OTHER USAID ACTIVITIES THAT PROVIDE ASSISTANCE TO THE INFORMAL SECTOR, MICRO OR SMALL-SCALE ENTERPRISE, OR SMALL HOLDER AGRICULTURE.

(c) Production of Surplus Commodities (FY 2002 Act Sec. 513(a).

Assistance may not be provided to establish or expand production of any commodity for export if the commodity is likely to be in surplus on world markets and substantial injury will be caused to U.S. producers of the same, similar, or competing commodities.

Is this restriction applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

4. ENVIRONMENT

(a) Environmental Assessment (FAA Sec. 117; USAID Regulation 16, 22 CFR Part 216, see ADS 204). USAID Regulation 16 requires that an Initial Environmental Examination, unless the proposed assistance falls within certain exceptions and other actions.

Please comment.

THE ORIGINAL IEE FOR THE SpO WAS SIGNED ON APRIL 10, 2001. A CATEGORICAL EXCLUSION HAS BEEN RECOMMENDED FOR ALL PROPOSED ACTIVITIES INVOLVING EDUCATION, TECHNICAL ASSISTANCE, AND TRAINING. THERE IS NO ADVERSE IMPACT ON THE NATURAL OR PHYSICAL ENVIRONMENT. THE MISSION CONDUCTED A PROGRAMMATIC ENVIRONMENTAL ASSESSMENT (PEA) DUE TO SIGNIFICANT NUMBER OF CONSTRUCTION ACTIVITIES. THE PEA WAS APPROVED BY USAID/LAC BEO ON AUGUST 31, 2001. THE ENVIRONMENTAL GUIDANCE DEVELOPED UNDER THE PEA HAS BEEN INCORPORATED INTO COOPERATIVE AGREEMENTS AND IMPLEMENTATION LETTERS APPROVING ACTION PLANS. THE IMPLEMENTING ENTITIES ARE COMPLYING WITH THE GUIDANCE.

IN LIGHT OF THE CHARGED COMPOSITION OF ACTIVITIES IN THE FY2002 ERP, AN AMENDED IEE HAS BEEN PREPARED BY THE MISSION AND APPROVED BY USAID/W. THE MICRO AND SMALL BUSINESS TECHNICAL ASSISTANCE FUND (TAF) ACTIVITY AND ACTIVITIES TO SUPPORT DEVELOPMENT OF THE ARTISAN SECTOR AND STIMULATE EXPORTS AS

WELL AS THE DISEASE SURVEILLANCE ACTIVITIES WILL ONLY CONSIST OF TECHNICAL ASSISTANCE AND THEREFORE QUALIFY FOR A CATEGORICAL EXCLUSION.

(b) CITES - Convention on International trade in Endangered Species of Flora and Fauna. (FY 2002 Act, "Development Assistance" heading under Title II). No funds may be used in support of activities which contravene CITES.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

(c) Debt-for-Nature Exchange (FAA Sec. 463). Assistance that will finance a debt-for-nature exchange must

- (1) Support protection of the world's oceans and atmosphere, animal and plant species, or parks and reserves; or
- (2) Promote natural resource management, local conservation programs, conservation training programs, public commitment to conservation, land and ecosystem management, or regenerative approaches in farming, forestry, fishing, and watershed management.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

(d) Tropical Forest Degradation (FAA Sec. 118). Funds may not be used for

- (1) The procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems;
- (2) Actions that will significantly degrade national parks or similar protected areas that contain tropical forests, or introduce exotic plants or animals into such areas;
- (3) Activities that would result in the conversion of forest lands to the rearing of livestock;
- (4) The construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) that pass through relatively undergraded forest lands;
- (5) The colonization of forest lands; or
- (6) The construction of dams or other water control structures that flood relatively undergraded forest lands.

However, funds may be used for activities in (3) through (6) above if an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner that supports sustainable development.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

5. EXPROPRIATION AND LAND REFORM (FAA Sec. 620(g)). Assistance may not be used to finance compensation to owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

6. FAMILY PLANNING.

(a). Abortions and Involuntary Sterilizations Prohibited (FAA Sec. 104(f); FY 2002 Act Sec. 518 and, "Development Assistance" heading under Title II). Funds may not be used

- (1) To perform abortions as a method of family planning or to motivate or coerce any person to practice abortions. (Note that the term "motivate" does not include the provision, consistent with local law, of information or counseling about all pregnancy options.)
- (2) To pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations.
- (3) To pay for any biomedical research that relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning.
- (4) For any country or organization if the President certifies that the use of these funds by such country or organization would violate the three provisions above.
- (5) To lobby for or against abortion.
- (6) To any organization or program that supports or participates in the management of a program of coercive abortion or involuntary sterilization.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

(b) Voluntary Family Planning Support (FY 2002 Act, Title II, under heading "Development Assistance"): Funds may be made available only to voluntary family planning projects that

- (1) Offer, either directly or through referral to, or provide information about access to, a broad range of family planning methods and services. (As a legal matter, Development Assistance only.)
- (2) Meet the following requirements:
 - (a) Service providers do not implement or are not subject to quotas, or targets, of numbers of births, family planning acceptors, or acceptors of a particular form of family planning (quantitative estimates or indicators for planning and budgeting purposes is acceptable);
 - (b) No payments of incentives, bribes, gratuities, or financial rewards for becoming a family planning acceptor or achieving numerical target or quota;
 - (c) Do not deny any right or benefit, including right of access to any program of general welfare or right of access to health care, as a consequence of any decision not to accept family planning services;
 - (d) Provide comprehensible information of the health benefits and risks of method chosen; and
 - (e) Ensure that experimental drugs and services are provided only in the context of scientific study in which participants are advised of potential risks and benefits.
- (3) No applicant should be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning. (As a legal matter, Development Assistance only.)

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

c) Certifications for Foreign Organizations (FY 2000 Act Sec. 599D). **[NOTE: NOT Applicable To FY 2002 funds because it was not included in the FY 2002 Act but it still applies to FY 2000 Act funds]**. Notwithstanding any other provision of law, population assistance may be made available for any foreign

private, non-governmental, or multilateral organization until the organization certifies that it will not, during the availability of these funds --

- (1) Perform abortions in any foreign country, except where the life of the mother would be endangered, or in cases of rape or incest, or
- (2) Violate the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited, or engage in activities or efforts to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

The President may waive (1) and (2), but if he does so, the amount of funding for population assistance is reduced by \$12.5 million. That amount is to be transferred to the Child Survival and Disease Programs fund for assistance for infant and child health programs that have a direct, measurable, and high impact on reducing the incidence of illness and death among children. The waiver authority is limited to allow the provision of \$15 million to organizations that do not certify.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

7. INTERNATIONAL CONFERENCES (FY 2002 Act Sec. 542, see Guidance on Funding Foreign Government Delegations to International Conferences, Mandatory Reference to ADS 302, 303, 306, 308, 350, and 522). Development Assistance funds may not be used to pay the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

Is this applicable? Please comment.

NO FUNDS UNDER THE ACTIVITIES OF THE SpO ARE AND WILL BE USED TO PAY FOR THE PARTICIPATION OF A DELEGATION OF THE RECIPIENT COUNTRY TO INTERNATIONAL CONFERENCES SPONSORED BY MULTILATERAL OR INTERNATIONAL ORGANIZATIONS.

8. LEGISLATIVE ACTION (FAA Sec. 611(a)(2)). If the obligation is more than \$500,000 and requires legislative action within the recipient country, there must be a basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance.

Is this applicable? Please comment.

THE ONLY LEGISLATIVE ACTION THAT IS CONTEMPLATED UNDER THIS SpO IS THE RATIFICATION OF THE SPECIAL OBJECTIVE AGREEMENT (SOAG) AMENDMENT. THE RATIFICATION IS EXPECTED TO BE COMPLETED BY JULY 15, 2002.

9. LOANS (FAA Section 122(b)). In making loans, USAID must consider the following:

- (a) Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest.
- (b) Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?
- (c) If repayable in dollars, the interest rate must be at least percent per annum during a grace period which is not to exceed 10 years, and at least 3 percent per annum thereafter, but no higher than the applicable legal rate of interest of the country in which the loan is being made.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

10. MILITARY PURPOSES (FAA Sec. 531(e)). Congress has explicitly provided that funds may not be used for military or paramilitary purposes.

Is this restriction applicable? Please comment.

THIS RESTRICTION DOES NOT APPLY.

11. NUCLEAR RESOURCES – EXPORT OF (FY 2002 Act Sec. 506). Assistance may not be used to finance, except for purposes of nuclear safety, the export of nuclear equipment, fuel, or technology.

Is this restriction applicable? Please comment.

THIS RESTRICTION DOES NOT APPLY.

12. POLICE AND PRISONS (FAA Sec. 660). Assistance may not be used to provide training, advice, or any financial support for police, prisons, or other law enforcement forces (see exceptions in Sections 660 (including a customs exception added to section 660 by section 574 of the FY 2002 Act), 119 and 534 of the FAA and Sec. 536 of FY2002 Act).

Is this restriction applicable? Please comment.

THIS RESTRICTION DOES NOT APPLY.

13. PUBLICITY, PROPAGANDA, AND LOBBYING (FY 2002 Act Sec. 540; Anti-Lobbying Act, 18 U.S.C. § 1913). Assistance may not be used to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

14. PVOs -- Funding Sources for U.S. PVOs (FY 2002 Act Sec. 501) If assistance is to be made to a United States PVO (other than a cooperative development organization), it must obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government. This may be waived in certain circumstances. Check with the Bureau for Humanitarian Response, Office of Private and Voluntary Cooperation (BHR/PVC) to see if the U.S. PVO has met the requirement.

Is this applicable? Please comment.

THIS PROVISION APPLIES. USAID/EL SALVADOR SpO TEAM WILL CHECK WITH BHR/PVC TO MAKE SURE THAT ANY U.S. PVOS SELECTED TO RECEIVE FUNDS FROM THIS FUNDING INCREASE UNDER A GRANT OR COOPERATIVE AGREEMENT HAS MET THIS REQUIREMENT. U.S. PVOS CURRENTLY IMPLEMENTING ACTIVITIES UNDER A GRANT OR COOPERATIVE AGREEMENT MEET THIS REQUIREMENT.

PART B. CONGRESSIONAL NOTIFICATIONS.

1. GENERAL NOTIFICATION (FY 2002 Act Sec. 515; FAA Sec. 634A). Obligations must be notified to Congress. This is usually accomplished through the Administrator's annual Congressional Presentation. It may be subject of a Special Notification, as below. Additionally, a new Congressional Notification must be made 15 days in advance of the obligation if the amount of the obligation has increased from that previously notified.

Is this applicable? Please comment.

THIS PROVISION APPLIES. FY 2002 OBLIGATION HAS BEEN NOTIFIED TO CONGRESS THROUGH THE FY 2003 CONGRESSIONAL BUDGET JUSTIFICATION (CBJ) SUBMITTED TO CONGRESS ON MARCH 18, 2002. OBLIGATIONS MAY BE INCURRED ON MARCH 29, 2002.

2. SPECIAL NOTIFICATION (FY 2002 Act, "Burma" and Title II headings and Secs. 517, 520 and 526). Special Notifications, 15 days in advance of obligation, are required for the following:

(a) COUNTRIES – Burma, Colombia, Democratic Republic of Congo, Haiti, Iraq (ESF) Liberia, Newly Independent States (NIS) countries, Pakistan, Serbia, Sudan, Zimbabwe, and fostering democracy in the People's Republic of China.

(b) OTHER

- (1) Account transfer, i.e., obligations under an appropriations account to which the funds were not originally appropriated (FY 2002 Act Sec. 509). Notification is to be made to the House and Senate Appropriations Committees.
- (2) Cash transfers or non-project sector assistance (notification should include a discussion of how funds will be used, U.S. interests served and economic policy reforms to be promoted)(FY 2002 Act Sec. 529).
- (3) Construction of productive enterprise, if aggregate value of assistance to be furnished by the U.S. exceeds \$100 million (except for productive enterprises in Egypt that were described in the Congressional Presentation)(FAA Sec. 620(k)).(Express approval of Congress required.)
- (4) Use of “notwithstanding” authorities for assistance through non-governmental organizations (FY 2002 Act Sec. 537).
- (5) Transition initiatives (FY 2002 Act “Transition Initiatives” heading under Title II. An advance notice of five days is required.
- (6) If an amount in excess of \$50 million is provided to the Global Fund for AIDS, malaria and tuberculosis, as authorized in title II of the conference report,
- (7) Assistance to support democracy, human rights, press freedom, women’s development, and the rule of law in countries with significant Muslim populations (FY 2002 Sec. 526)
- (8) Plans to wind up activities of an Enterprise Fund must be submitted pursuant to the regular notification procedures,
- (9) Assistance to the Central Government of Cambodia for basic education and to support the Government’s Ministry of Women and Veteran’s Affairs to combat trafficking,

Please comment.

THIS PROVISION DOES NOT APPLY.

3. DEOBLIGATION/REOBLIGATION (FY 2002 Act Sec. 510). If deobligation/reobligation authority is being used, the funds being obligated must be for the same general purpose and for countries within the same region as originally obligated, and the House and Senate Appropriations Committees must be properly notified. (Note: Compare to no-year authority under section 511.)

Is this applicable? Please comment.

AN ESTIMATED \$1.8 MILLION IN DEOB/REOB FUNDS HAS BEEN REQUESTED TO BE USED TO FINANCE ACTIVITIES UNDER THIS SpO. HOUSE AND SENATE APPROPRIATIONS COMMITTEES WILL BE NOTIFIED OF THIS ACTION.

4. ENTERPRISE FUNDS – DISTRIBUTION OF ASSETS (FY 2002 Act Sec. 562).

Before the distribution of any assets resulting from the liquidation, dissolution, or winding up of an Enterprise Fund, a plan regarding the distribution of those assets must be sent to Committees on Appropriations.

Is this applicable? Please comment.

THIS PROVISION DOES NOT APPLY.

PART C. OBLIGATING DOCUMENTS

1. SOURCE, ORIGIN AND NATIONALITY (See ADS 310).

(a) General (FAA Sec. 604(a)): All procurement must be from the U.S., the recipient country, or developing countries except as otherwise determined in accordance with Agency rules. If planning procurement elsewhere, a waiver must be obtained.

Please comment.

UNDER THE SpO, THE SOAG AND OTHER AGREEMENTS WILL PROVIDE FOR PROCUREMENT FROM THE UNITED STATES (GEOGRAPHIC CODE 000) AND, IN ACCORDANCE WITH LOCAL PROCUREMENT POLICY, FROM EL SALVADOR. SHOULD PROCUREMENT FROM ELSEWHERE BECOME NECESSARY, MAINLY FROM THE CENTRAL AMERICAN REGION, A WAIVER WILL BE OBTAINED.

(b) Automobiles -- buy only U.S. made motor vehicles (FAA Sec. 636(i). Assistance may not be used to finance the purchase, sale, long-term lease, exchange, or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained.

Please comment.

ALL MOTOR VEHICLES TO BE PURCHASED WILL BE U.S. MADE.

(c) Agricultural Procurement (FAA Sec. 604(e)). Agricultural commodities and products thereof must be procured within the U.S. unless the commodity or product could not be reasonably produced in the U.S. in fulfillment of the particular assistance program. Waivers are available in some circumstances.

Please comment.**THIS PROVISION DOES NOT APPLY.**

(d) Construction or Engineering Services (FAA Sec. 604(g)): No engineering or construction services may be procured from advanced developing countries eligible under Code 941 that have attained competitive capability in international markets, *unless*

- (i) The advanced developing country is receiving direct economic assistance under the FAA and
- (ii) Its own assistance program would permit U.S. firms to compete for similar services.

Please comment.

THERE ARE NO PLANS TO PROCURE THESE SERVICES FROM ADVANCED DEVELOPING COUNTRIES ELIGIBLE UNDER CODE 941. ALL ENGINEERING OR CONSTRUCTION SERVICES ARE PROCURED FROM U.S. FIRMS (CODE 000) OR FROM THE COOPERATING COUNTRY (EL SALVADOR).

2. CASH TRANSFERS -- REQUIREMENT FOR SEPARATE ACCOUNT (FY 2002 Act Sec. 529(b)). If assistance is in the form of a cash transfer or nonproject sector assistance, all such cash payments must be maintained by the country in a separate account and not commingled with any other funds (unless such requirements are waived by Congressional notice for nonproject sector assistance).

Please comment.**THIS PROVISION DOES NOT APPLY.****3. CAPITAL ASSISTANCE**

(a) Mission Director Certification/Assistant Administrator Determination (FAA Sec. 611(e)). When capital assistance is proposed (e.g., construction), and total U.S. assistance for it will exceed \$1 million, the Mission Director must certify and the Regional Assistant Administrator must take into consideration the country's capability to maintain and utilize the assistance effectively.

Please comment.

NO INDIVIDUAL CONSTRUCTION PROJECT FUNDED UNDER ANY OF THE ACTIVITIES OF THE SpO BEING AUTHORIZED AND/OR APPROVED UNDER THIS ACTION MEMORANDUM IS EXPECTED TO EXCEED \$1.0 MILLION.

(b) Developmentally sound projects (Jobs Through Export Act of 1992, Sections 303 and 306(b)), P.L. 102-549, 22 U.S.C. 2421b and 2421d(b). If assistance is being provided for a capital activity, the activity must be developmentally sound and measurably alleviate the worst manifestations of poverty or directly promote environmental safety and sustainability at the community level.

Please comment.

THE MAIN PURPOSE OF THE ACTIVITIES UNDER THIS SpO IS TO HELP RESTORE THE ECONOMIC AND SOCIAL WELFARE OF THE RURAL POOR AFFECTED BY THE EARTHQUAKE DISASTERS IN EL SALVADOR. THE ACTIVITIES ALSO PROMOTE ENVIRONMENTAL SAFETY AT THE COMMUNITY LEVEL. USAID/EL SALVADOR ENSURES THAT EACH CONSTRUCTION ACTIVITY COMPLIES WITH DESIGN SPECIFICATIONS FROM THE MINISTRY OF PUBLIC WORKS, SEISMIC SAFETY STANDARDS, LOCAL HOUSING CODES, ENGINEERING GUIDELINES AND ALL APPLICABLE ENVIRONMENTAL MITIGATION MEASURES AND REGULATIONS.

(c) U.S. Engineering Services (FAA Sec. 601(d)). If using capital (e.g., construction) assistance, U.S. engineering and professional services must be used to the maximum extent, consistent with U.S. interests.

Please comment.

THE SpO HAS SIGNED A PASA FOR ENGINEERING AND PROFESSIONAL SERVICES FROM THE U.S. ARMY CORPS OF ENGINEERS TO SUPERVISE AND MONITOR THE CONSTRUCTION AND RECONSTRUCTION ACTIVITIES.

4. ASSISTANCE GENERATING LOCAL CURRENCY (FY 2002 Act Sec. 529). If assistance is furnished to a foreign government under arrangements that result in the generation of local currencies

(a) USAID must

- (1) Require that local currencies be deposited in a separate account established by the recipient government,
- (2) Enter into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and
- (3) Establish by agreement the responsibilities of USAID and the host government to monitor and account for deposits into and disbursements from the separate account.

(b) Local currencies, or an equivalent amount of local currencies, can be used only to carry out the purposes of the Development Assistance or Economic Support Fund chapters of the FAA (depending on which chapter is the source of the

assistance) or for the administrative requirements of the United States Government.

- (c) USAID should take all necessary steps to ensure that the equivalent of local currencies disbursed from the separate account is used for the agreed purposes.
- (d) If assistance is terminated to a country, unencumbered balances of funds remaining in a separate account should be disposed of for purposes agreed to by the recipient government and the United States Government.

Please comment.

THIS PROVISION DOES NOT APPLY SINCE GENERATIONS OF LOCAL CURRENCIES FROM SECTION 416(b) AGREEMENTS ARE MANAGED BY USDA.

5. PRINTING COSTS. The Bureau for Legislative and Public Affairs (LPA) must approve printing costs of a report of study (except feasibility, design, or evaluation reports or studies) more than \$25,000. [Note: While the requirement for this review is not in the FY 2002 Act, the USAID guidance still applies.]

Please comment.

ALL REPORTS OF STUDIES (EXCEPT FEASIBILITY, DESIGN, OR EVALUATION REPORTS OR STUDIES) OVER \$25,000 WILL BE SENT TO LPA FOR APPROVAL OF PRINTING COSTS BEFORE THEY ARE SENT TO THE PRINTING HOUSE. HOWEVER, IT IS NOT EXPECTED THAT A REPORT OF STUDIES UNDER THE SpO ACTIVITIES THAT ARE BEING AUTHORIZED AT THIS TIME WILL BE IN EXCESS OF \$25,000.

6. ALCOHOLIC BEVERAGES AND CERTAIN ENTERTAINMENT EXPENSES (FY 2002 Act Sec. 550). Development Assistance or Economic Support Funds may not be used for alcoholic beverages or entertainment expenses that are substantially of a recreational nature.

Please comment.

THIS PROVISION DOES NOT APPLY.

7. STATE DEPARTMENT NOTIFICATION OF BILATERAL AGREEMENTS WITH AN OBLIGATION OF \$25 MILLION OR MORE (ADS 350.5.5; Case-Zablocki Act, 1 U.S.C. Sec. 112b, 22 C.F.R. Part 181, see ADS 350). The date of signing and the amount involved must be cabled to State Office of Assistant Legal Adviser for Treaty Affairs (L/T) immediately upon signing and the full text of the agreement should be pouched to State/L/T within 20 days of signing.

Please comment.

FOR FY 2001, \$25,045,446 WAS OBLIGATED UNDER A SOAG WITH THE GOVERNMENT OF EL SALVADOR. THE CURRENT OBLIGATION FOR FY 2002

UNDER THE SOAG (BILATERAL) AMENDMENT WILL BE \$36.5 MILLION. A COPY WILL BE SENT TO STATE WITHIN 20 DAYS OF SIGNING.

8. ENGINEERING AND FINANCIAL PLANS (FAA Sec. 611). Before an obligation of more than \$500,000, there **must** be

- (1) Engineering, financial, or other plans necessary to carry out the assistance; and
- (2) A reasonably firm estimate of the cost to the U.S. of the assistance.

And, if the plan relates to a water or water-related land resource construction, the plan should include a computation of benefits and costs. This figure must be computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.).

Please comment.

- 1) THE NECESSARY PLANS AND ANALYSES HAVE BEEN CONDUCTED AS PART OF THE PLANNING PROCESS. ADDITIONAL TECHNICAL ANALYSES MAY BE REQUIRED AND ARE DONE AS PART OF THE PROCESS OF SELECTING SPECIFIC SITES AND INTERVENTIONS.**
- 2) REASONABLY FIRM ESTIMATES OF COSTS ARE DEVELOPED FOR EACH AUTHORIZED OR APPROVED ACTIVITY; SUCH ESTIMATES ARE BASED ON ANALYSES BY USAID'S TECHNICAL STAFF AND CONSULTATIONS WITH PARTNERS AND STAFF OF THE CONTROLLER'S OFFICE AND THE REGIONAL CONTRACTS AND GRANT OFFICE.**
- 3) THIS IS THE PROCESS THAT WAS IMPLEMENTED FOR THE FY 2001 FUNDS; A SIMILAR PROCEDURE WILL BE UTILIZED FOR THE FY 2002 FUNDS.**

WE -- Environment Office

Amended INITIAL ENVIRONMENTAL EXAMINATION LAC -IEE -01-15

Activity Location: El Salvador

Activity Title: Earthquake Recovery Program

Activity number: 519-0458

Funding: \$171 million (originally approved \$110 million)

Life of Project: Three years (until September 2004)

IEE Prepared By
William Patterson, Elizabeth
Gonzalez
Environmental Officers
USAID/El Salvador

Recommended Threshold Decision:

Categorical Exclusions are recommended for these activities: Enterprise Development, Export Promotion and Artisan Development in the Economic Reactivation Activity Component; also for the Land Use and Disaster Mitigation Plans, USGS PASA, NOAA IAA, and National Disease Surveillance System under the Adverse Effect of Future Natural Disaster Mitigated Component, as per 22 CFR 216.2 (c) (2) (i,iii, v).

Positive Determinations are recommended for housing, child care centers, health centers, potable water and sanitation, municipal markets and municipal office reconstruction under all of the components. They are currently under an approved Programmatic Environmental Assessment

Negative Determination is recommended for the Agribusiness Development and the Small Infrastructure Activity in the Agricultural component as per 22 CFR 216.3(a) (3). In the case of pesticide use or procurement a Supplemental IEE will be submitted for approval.

Mission Threshold Decision: Concur with Recommendations

Date Prepared: April 10, 2002

Mark Silverman
Mission Director

Date

Background Information

An IEE amendment is submitted for approval due to an increase in the level of funding. The original IEE approved (LAC-IEE-01-15) was for a level of \$110 million.

Detailed activity descriptions and their proposed determination for each of these activities are presented below. The Programmatic Environmental Assessment (PEA) for the Earthquake Reconstruction Program that was completed in August 2001 provides those activities receiving a positive determination with guidelines for monitoring and mitigating environmental impacts.

IR # 1, Community Infrastructure Restored for the Rural Poor.

a) Housing Activity: Positive Determination

Housing reconstruction: \$50 million will be provided to USPVOs and private sector organizations to build up to 13,000 additional permanent houses. The selection process for USPVOs or private sector organizations will be through an RFA and the implementation will be through cooperative agreements. About \$20.7 million will be provided to FONAVIPO (National Housing Foundation) through the Strategic Objective Grant Agreement (SOAG), for the construction of 5,200 new houses. These funds include monies, where no other sources of such support are available, for minor water system repairs, latrines, and risk mitigation for the houses we plan to build.

b) Child Care Centers: **Positive Determination:** USAID will contribute an additional \$500,000 for the reconstruction and re-equipping of 20 more child care centers. The implementing mechanism for all work on the childcare centers will be the Mission's Small Infrastructure Activity (SIA) program.

c) Health: **Positive Determination:** Operating costs for the DOD MUST hospital: In line with our agreement with the U.S. Embassy, we will allocate an additional \$375,000 through the SOAG to cover the second year operating costs of the DOD MUST facility in Santa Tecla.

d) Potable Water and Sanitation: **Positive Determination:** \$5 million will be allocated for potable water system rehabilitation together with latrines and wells. This activity will be executed through amendments to existing cooperative agreements with CARE/PROSPERAR (\$3 million) and PCI (\$2 million).

IR # 2, Economic Activity Reactivated.

a) Micro and Small Businesses:

i) Enterprise Development (Technical Assistance Fund-TAF): **Categorical Exclusion:** In FY 2002, we propose to allocate an additional \$1.5 million to the GOES's TAF whose aim is to strengthen the business capacity of micro and small businesses. This activity will be implemented through the SOAG.

ii) Export Promotion: **Categorical Exclusion:** \$2,000,000 is being

proposed for this activity. In addition to providing \$200,000 directly to the Ministry of Economy for the Export Promotion Fund through the SOAG, \$500,000 will be provided to a local NGO for export promotion, and \$1.3 million contract would be awarded to a U.S. firm capable of providing technical assistance through an RFP, an 8(a) contract, or an IQC.

iii) Artisan Development: **Categorical Exclusion:** USAID proposes to fund an unsolicited proposal from the non-profit organization Aid to Artisans in the amount of \$1,000,000 to implement the proposed program. The implementing mechanism would be a cooperative agreement.

iv) Rural Markets: **Positive Determination:** USAID will increase its funding to FISDL by \$1,500,000 for the reconstruction of three local markets in Puerto de Triunfo, San Sebastian and Santiago de Maria. The obligating mechanism for the \$1.5 million will be the SOAG, with FISDL continuing to be the GOES implementing entity.

b) Agriculture:

i) Agribusiness Development & Export Promotion: **Negative Determination:** We propose to allocate an additional \$2 million in FY 2002 resources to this program designed to provide technical assistance and marketing services to farmers. An RFA was issued in December to select the program implementer. A Supplemental IEE will be submitted for approval in the case of pesticide use and procurement, and no funds will be used for this activity until approval has been granted in accordance with Reg 216.3 (b) (i) through (iv)

ii) Small Infrastructure Activity: **Negative Determination:** Allocations for this year's program will be \$1 million. Through grants provided to local municipalities, USAID will fund critical infrastructure such as farm-to-market roads, bridges, irrigation works.

IR #3: Adverse Effects of Future Natural Disasters Mitigated

a) Land Use & Disaster Mitigation Plans: **Categorical Exclusion:** \$2.8 million will be allocated to strengthen national emergency systems and to work with the municipalities in the preparation of land use and disaster mitigation plans. To implement these activities, we propose to issue an RFA.

b) USGS: **Categorical Exclusion:** We propose to incrementally fund our existing PASA with the USGS with an additional \$750,000. These monies will finance (a) TA for the development of a seismic observatory, (b) municipal information systems for five towns, (c) installation of at least one seismometer, (d) two additional flood-monitoring stream gauges, (e) flood hazard assessments for four at-risk municipalities, and (f) additional equipment and training for the country's new SNET.

c) NOAA: **Categorical Exclusion:** USAID will provide \$150,000 to NOAA to support the maintenance of the Rio Grande early warning system, aspects of the Rio Lempa system that are not covered by the G/CAP agreement and provide technical assistance to El Salvador's new earth sciences agency. NOAA will work closely and coordinate with USGS. NOAA's contribution would be \$15,000. To obligate the monies, we anticipate adding funds to an USAID-NOAA Inter-Agency Agreement that is managed out of Washington.

d) National Disease Surveillance System: **Categorical Exclusion:** \$2.2 million is proposed to significantly reduce the disease burden resulting from natural disasters by strengthening and integrating the public health surveillance system. Technical assistance will be obtained from the Center for Disease Control (CDC) through an existing Inter Agency Agreement. Management support for the local CDC staff will be provided through an ICASS agreement with the Embassy.

IR #4: Municipal Government Infrastructure Restored

a) Municipal offices, Positive Determination: We propose to allocate \$5 million for the reconstruction and repair of municipal centers. The most likely obligating mechanism will be inclusion of this work in the SOAG with the GOES; the key implementing entity is envisaged to be Social Investment Fund for Local Development.

Discussion on status of Environmental Monitoring Compliance

In response to the concerns that the BEO mentioned in the Programmatic Environmental Assessment approval, following is a discussion on how those concerns have been addressed by the mission:

- A PASA with the United State Army Corp of Engineers has been signed and they are conducting site visits to approve the Environmental Guidelines, and insuring implementation of mitigation measures. USACE has a team of 6 engineers and a Project Manager to do this work. When the visit has been completed, the guidelines come back to USAID and to the office of Water and Environment to be approved. The approval of environmental checklists requires implementation of mitigation works. New agreements will establish that the payment of the completed houses are subject to compliance with implementation of the required mitigation works. USACE will monitor implementation of the mitigation work. Sample of houses to be inspected by USACE during construction monitoring and final inspections will focus in those houses requiring mitigation measures.
- A PASA with the USGS has a component to perform Site Specific Assessments in high-risk areas. Only after the USGS has visited and approved the site will approval be granted for reconstruction.
- Every Cooperative Agreement for reconstruction activities requires compliance with the PEA.
- Training on the PEA requirements is given to every NGO or

Government of El Salvador Institution that is implementing reconstruction work. Equipment such as GPS, Arc View licenses and risk maps are also provided to the implementing institutions.

- A new Medical Waste Management Guideline for rural areas is being developed by the Ministry of Health in order to satisfy PEA requirements.

IEE for the Second Year Activity of the Earthquake Reconstruction Program

Clearances:	MEO:WPatterson_____	Date:_____
	ER:RMayorga_____	Date:_____
	SDO:DHarrison_____	Date:_____
	DD:RGoughnour_____	Date:_____

U:\envirpub\docs\earthquake IEE amendment